

BELL'S REPLY TO AT&T'S RESPONSE

Bell takes issue with the funding mechanism proposed in the PTA's Petition.

Bell states that:

The proposed revenue-based surcharge is inequitable because it would require customers to pay different surcharges based upon the amount of telephone services they purchase, which may vary from one month to the next depending on individual usage patterns. Moreover, since rates for telephone services vary across the state, customers with identical telephone services and identical usage patterns would pay different surcharges if they are served by different local exchange companies. Customers would also pay different surcharges depending on which carrier completes their toll calls. A customer who places long distance calls through a reseller would not pay dual relay surcharges on those calls while another customer who places the same calls through an certificated interexchange carrier would pay surcharges on them.

A surcharge based on access lines rather than intrastate revenues would eliminate these inequities. Each single line residence customer would pay the same surcharge amount each month regardless of his or her telephone services or usage patterns that month.

Similarly, each business customer with the same number of telephone stations would pay the same surcharge.¹

Moreover, an access line-based surcharge would permit local exchange carriers to set different rates for residence and business lines. This would enable them to protect low income residence customers from paying a disproportionate share of the cost of Pennsylvania's dual relay system.

¹ In order for business customers with PBX and Centrex systems to pay equivalent surcharge amounts, the Commission should authorize application of trunk equivalency ratios. These ratios will insure that a business customer with a 100 station Centrex system pays the same surcharge amount as a business customer with a 100 station PBX system.

Bell's Response, pp. 1-2.

The PTA states, in its Reply to AT&T's Response, as follows:

As set forth in the Commission's Secretarial Letter of October 23, 1989: "There shall be a uniform surcharge...to be applied by each local [sic] Exchange Carrier and Interexchange Carrier to all intrastate telephone revenues, excepting toll access charges." Id. at 1, Paragraph 1. Moreover, continues the Letter:

The surcharge shall be determined by dividing estimated annual expenses by the estimated applicable statewide revenues, both local and toll, both recurring and nonrecurring.

[Id. at 1, Paragraph 2.]

Thus, at the beginning of this process, the Commission ordered that a uniform surcharge to be applied by both Local Exchange and

Interexchange Carriers on the basis of revenues received. The benefits are obvious. The effect is to keep the individual customer's impact minimized by spreading the cost of Relay Service over the greatest base possible.**

It is obvious that, in this regard, AT&T's comments are raised, not as the provider of Relay Service, but as an Interexchange Carrier, which would be required, as all other certificated carriers in the Commonwealth, to collect the surcharge. However, it would seem that, if the Local Exchange Carriers are willing to undertake to collect the surcharge, then also should the Interexchange Carriers, pursuant to the Commission's Secretarial Letter.

It is the sheerest hyperbole for AT&T to state in its broad, conclusory fashion that collection of the surcharge upon Interexchange Carriers would create "an administrative nightmare." AT&T Response at 5. The collection of the surcharge on Interexchange Carrier revenues is limited to certificated carriers. The effect is no different nor is the exercise any more difficult than the collection of the Commission's annual assessment upon the intrastate revenues of the certificated Interexchange Carriers. Under the assessment process, Interexchange Carriers (and all regulated utilities) are required to report annual revenues (Calendar Year) to the Commission and to pay the Commission's assessment as a percentage of those revenues. The development of the annual Relay Service surcharge on the basis of Calendar year revenue is exactly the same.

While AT&T claims that "virtually all" of the jurisdictions which have implemented Relay Service exclude Interexchange Carriers from the funding mechanism, it can only enumerate fifteen (15) of them. Therefore, of the twenty-four (24) states that have implemented Relay Service, nine (9) states must include

**The PTA accepts AT&T's recommendation that toll coin calls should be excluded from the operation of the surcharge for the same reasons as the PTA proposes to exclude local coin calls. See, Petition at 18.

both Local Exchange and Interexchange Carriers in the funding process. California, as a prominent, trend setting jurisdiction, has ordered Interexchange Carriers to participate in its Relay Service surcharge.

As noted by AT&T, its proposal to exclude Interexchange Carriers from the surcharge process in an "integral part" of AT&T's proposal to eliminate the Fund Administrator. AT&T Response at 5. For the reasons set forth above, the concept of a Fund Administrator should be maintained and, therefore, this "integral part" should also fail.

PTA's Response, pp. 6-8.

We shall preface our discussion of this issue by stating that the two proposed funding mechanisms have been utilized in other jurisdictions and either one could be utilized here. What we need to determine is which funding mechanism is more manageable and practical, and which mechanism provides for a steadier flow of funds to recover the cost of operations.

It is true that, upon first reading, the PTA's proposed funding mechanism, which utilizes total billed revenues, appears to reach practically all Commonwealth telecommunications customers. However, is the total billed revenue approach, although spread across the largest base, distributed equitably among all customers? There is a difference between Local Exchange rates in the Commonwealth ranging from \$3.60 to \$17.35 per month. Under the PTA's proposal, some telecommunication customers will pay 5 times as much as other customers with identical services. Under an access line procedure, each customer will pay the identical flat rate, per access line, each month. The system can be designed to establish a ratio between residential and business customers, such as 2:1 or 3:1. Each customer, in the respective categories, would pay the same flat fee, per month, based on each access line. The flat rate, based upon a per access line charge, would provide a steady and relatively constant flow of monies to the Relay Service Fund on a

monthly basis. The total billed revenue approach would have the tendency to fluctuate monthly based on customer usage.

There are arguments against the access line system primarily because of the weighting of Centrex customers and Private Branch Exchange (PBX) customers. However, our analysis reveals that this problem can be easily resolved by use of a conversion table (see attachment A).

The other problems associated with the PTA proposal are that (1) the Local Exchange Companies can only identify approximately 95% of their intrastate revenues, as was evidenced by the recent filings to effect a zeroing of the State Tax Adjustment Surcharge;* (2) there would be an inequity if end-users use different interexchange carriers (IXC) because all have different rates; (3) when the end-users use a third party billing through AT&T's major credit card or the major credit cards proposed by MCI and Sprint, billing considerations could potentially cause bottleneck in the monthly revenue stream and therefore would be risky; and (4) if an end-user uses a Reseller for his long distance business, since we do not regulate Resellers, those revenue streams would be lost to the surcharge system and would obviously give a competitive advantage to the Reseller of long distance services.

Based upon our review of the two methodologies, we are of the opinion, and so find, that a surcharge based upon total access lines is preferable, in that it will virtually guarantee a steady flow of monies, on a monthly basis, to recover, at a minimum, the operational cost for the Relay System with little or no fluctuation in revenue streams. Accordingly, we conclude that the access line procedure is the most appropriate funding mechanism.

*See, 52 Pa. Code §§69.53-69.56.

The Surcharge will be calculated using the following formula:

$$\frac{\text{TDD Annual Operating Cost}}{\text{Total Access Lines}} \times 1/12 = \text{surcharge/access line/mo}$$

Utilizing information from the Directory of the Pennsylvania Telephone Association, we estimate that the number of access lines in Pennsylvania is approximately 6,350,589. Substituting the value into the proposed surcharge formula yields the following:

$$\frac{10,000,000}{6,350,589} \text{ access line} \times 1/12 = \$0.13 \text{ per access line per month}$$

For reasons discussed infra, we further conclude, however, that it would be more equitable to apply different surcharge ratios to residence and business access lines. If the difference is to be a factor of two (i.e. business surcharge = 2 x residence surcharge) and there are:

<u>Access Lines</u>		
Business	1,751,618	27.6%
Residence	4,598,971	72.4%
Total	6,350,589	100.0%

the monthly surcharges would be:

	<u>Rate Per A.L</u>	<u>% of Total TDD \$</u>
Business	\$0.20	43%
Residence	\$0.10	57%

Additionally, we shall allow the recovery of the following costs for purposes of the surcharge formula:

Cost of the Provider Relay System
 Cost of the Fund Administrator
 Cost of the PTA Task Force

The surcharge formula will be calculated on an annual basis by the Commission, unless we determine, after review of the operation of the system, that the surcharge should be revised more frequently. The numerator of the formula shall include the Relay Service Provider's Charges based upon its rates and the forecasted minutes of use for the prospective surcharge period, plus the Fund Administrator's charges, less any undisbursed Fund monies remaining from the prior year above that are considered necessary to maintain a reasonable operating reserve off-setted by virtual call revenues. During the first year, the numerator shall also include the reasonable out-of-pocket expenses incurred by the PTA in developing the Relay Service and the reasonable non-recurring start-up costs of the Relay Service Provider. The virtual call revenues received by LECs and IXCs shall be remitted to the Fund Administrator and credited against the numerator of the surcharge formula in the following year. The denominator will be the total number of access lines. The Service Provider and the Fund Administrator and, initially in the first year, the PTA task force will submit their actual costs to the Public Utility Commission staff for the calculation of the formula to be provided to the Local Exchange Companies.

Although we have demonstrated an estimation relative to the surcharge formula for access line utilization, we shall order AT&T and the PTA to provide actual costs to be utilized in the formula. Although we have considered two options for the formula, that being an overall assessment to all access lines, both residential and business, or a ratio basis which would establish separate rates for residential and business access lines, we believe that a ratio of 2:1 or approximately \$.10/per access line/per month for residential, and \$.20/per access line/per month for business customers is appropriate. This option would provide more flexibility if the Relay Service System costs experience a short fall. We shall order the Pennsylvania Telephone Association to file a Surcharge Tariff for its member

companies (in which they concur) demonstrating the actual formula utilized and the derived per access line charge for residential and business customers. We anticipate that the surcharge ratio will change when the parties provide their actual costs. The aforementioned PTA Relay Service Surcharge Tariff is to be filed with the Commission within 30 days of the entry of this Order.

Our reasons for believing that there is more flexibility in the ratio basis is that one can raise the residential rate by as much as 2¢ per access line and the residential rate would still fall below the average 13¢ per access line, if we were to use an identical surcharge for both residence and business customers.

The following annual schedule of events in the determination of the surcharge will be observed by this Commission.

April 30. The LECs will provide the Commission with the total number of access lines adjusted for Centrex lines through the use of Attachment A, Line to Trunk Equivalency Table.

May 1. The Relay Service Provider will supply a statement to the Commission of estimated minutes of Relay Service use and associated annual charges for the period July 1 of that year through June 30 of the succeeding year to the Commission, for the purpose of establishing the numerator of the surcharge calculation.

May 1. The Fund Administrator shall provide a statement to the Commission of the financial status of the fund and its estimated charges for the prospective period.

June 1. The Commission shall complete and notify the Local Exchange Carriers of the new surcharge rate to be applied for the prospective 12 month period commencing July 1 of that year, for which new surcharge tariffs will be filed.

July 1. The new surcharge rate shall become effective for the ensuing 12 month period.

For the first year, the LECs shall provide the Commission with the total number of access lines adjusted for Centrex lines through the use of Attachment A, Line to Trunk Equivalency Table, within ten (10) days from the entered date of this Opinion and Order.

The PTA proposes, based on the recommendation of the Task Force, that the revenues received from the end-users utilizing the Relay Service System (i.e. virtual call revenues) be contributed to the Relay Service Fund in order to keep the surcharge low. The PTA suggests that all virtual call^{1/} revenues received by LECs or IXCs should be remitted to the Fund Administrator and, according to the surcharge calculation methodology, credited to the Relay Service Fund.

We have no objection to virtual call revenues received by the LECs and IXCs being contributed to the Relay Service Fund. Accordingly, we shall order that such revenues collected by the LECs and IXCs be placed in the Relay Service Fund.

Any cash balances in the Relay Service Fund which we perceive to be excessive relative to that which is necessary to maintain a positive cash flow will be adjusted via the annual true-up process. Further, we may adjust the surcharge prior to July 1 of any given year if a significant imbalance in the cash flow is brought to our attention by the Fund Administrator or the Relay Service Provider.

^{1/} Virtual call is an arrangement whereby the Relay Service customer is billed as if the call were completed by direct dial basis (i.e. point to point) and not through the Relay Service Center.

The LECs shall begin billing the Relay Service surcharge to end-users with billing cycles starting on August 1, 1990. For the first eleven (11) months of the Relay Service in Pennsylvania, the surcharge will be based upon the assumption that 100,000 calls (700,000 minutes of use) per month will be placed through the Relay Service Center for that eleven (11) month period. While the surcharge will be initially established based upon 100,000 calls (700,000 minutes of use) per month, the Fund Administrator will only disburse monies to the Relay Service Provider based upon the actual call volume experienced during the preceding month, with the exception of the first six (6) months, when compensation is based on the larger of actual call volume or 200,000 minutes per month.

The PTA is requesting that in the event the funding of any other public interest service offering, including Emergency 911, via a surcharge is ordered by the General Assembly or the Commission, the LEC may revise the Relay Service surcharge to be consistent with the funding mechanism employed for such subsequent public interest service.

While on first reading the PTA's request seems to be reasonable, we would be remiss if we did not require the LECs or the PTA on behalf of the LECs, to file a Petition with the Commission requesting a revision to the Relay Service surcharge mechanism in order to be consistent with the particular public interest service funding mechanism. We believe that to grant, at this time, the request based upon an occurrence which may take place, at some undetermined future date, and without the benefit of the particular public interest or its funding mechanism, would be a gross neglect of our statutory duty and responsibilities. Thus, we will deny the PTA's request at this time.

D. Complaints and Inquiries

Section D of the PTA's Petition provides for the exemption of LECs from Chapter 63, "Telephone Service," and Chapter 64, "Standards and Billing Practices For Residential Telephone Service" for purposes of customer inquiries, complaints and disputes regarding the billing for or the quality of the Relay Service System. The PTA contends that the Relay Service Provider is solely responsible for the creation and maintenance of all billing data. Thus, the PTA asserts that inquiries, complaints and/or disputes regarding the billing for the Relay Service should be made directly to the Relay Service Provider and not the LEC. Additionally, the PTA contends that customer queries and complaints regarding matters involving the quality of service (i.e. blockage rates, average speed of answer, holding time, accuracy of message relay, numbers of calls per contact, disconnection and related service quality performance) must be handled by the Service Provider and not the LECs.

AT&T, in its Response to the Petition, objects to having the responsibility of handling billing inquiries. Specifically, AT&T states that:

Contrary to the PTA's suggestion (Petition at 20), inquiries or complaints about bills for DPRS calls should be directed to the carrier for which the call is billed, using existing procedures. For example, if a deaf caller makes a local call, it will be billed by the local exchange carrier which will have that customer's billing records to refer to in answering the inquiry. AT&T will not have that customer's bill or his billing records for local calls, and so would be unable to handle the inquiry. Also, contrary to the PTA's implication, the confidentiality of the call will not be breached if the carrier handles the inquiry, as billing inquiries implicitly carry the caller's permission to discuss the existence of the call and are a recognized exception to call confidentiality.

AT&T's Response, p. 8.

In Response to AT&T's objection to handling billing inquiries, the PTA states in its May 7, 1990 filing that:

As clearly set forth in the RFP, in AT&T's Proposal and by any common sense understanding of Relay Service, the Relay Service Provider will be the entity that generates the original documentation regarding a call. The RFP stipulates that:

[T]he Service Provider shall be responsible for the identification of those calls [all calls over the relay network] and obtaining the proper call information for billing purposes as addressed in Section II, Subsection C.-- System Standards, Paragraph 7 (and 8).

Petition, App. 3 (RFP), Section II.B. Sections II.C.7 and 8 refer to the technical data which "the relay center shall create for each relay assisted call" which is forwarded to the appropriate Local Exchange or Inter-exchange Carrier for billing. AT&T has agreed to conform to these requirements in its Application by explicit restatement of these requirements in its tariff at Original Sheet 6. Application at Exh. E.

Thus, it is an out and out untruth for AT&T to assert that, as Service Provider, it will not be in possession of the customer's billing data and, thus, "unable to handle the inquiry." AT&T Response at 8. AT&T, as a Service Provider, is the original source of that information and the proper entity to research the records to determine the accuracy of the call data.

PTA's Response, p. 13.

We agree with the PTA that inquiries, complaints and disputes regarding billing for the Relay Service should be made directly to the Relay Service Provider rather than the LEC. The Relay Service Provider generates the original documentation regarding a call and is responsible for the creation and maintenance of all billing data. The RFP stipulates that:

...the service provider shall be responsible for the identification of those calls [all

calls over the relay network] and obtaining the proper call information for billing purposes...

* * *

7) The relay center shall create for each relay-assisted call an Extended Message Record (EMR) as described in Bellcore Practice BR 010-200-010, CRIS Exchange Message Record or an Extended Message Interface (EMI) record as described in Bellcore Publication SRISD 000320. The record shall contain, at a minimum, the following information:

- a) Telephone number or credit card number to be billed - NPA-Prefix-Line Number
- b) Terminating Telephone Number - NPA-Prefix-Line Number
- c) Originating Telephone Number - NPA-Prefix-Line Number (A)
- d) Date
- e) Start Time
- f) End Time
- g) Call Type
- h) Preferred Interexchange Carrier (PIC) for interLATA calls

8) The service provider shall forward the EMR/EMI for each call to the appropriate intrastate telecommunications provider (i.e. LEC, IXC, etc.) or the location designated by such LEC, IXC, etc., within fourteen days of the date such service was supplied.

RFP, pp. 7-8.

AT&T has agreed to conform to the aforementioned requirements in its Application by explicit restatement of these requirements in its tariff at Original Sheet 6. We find that since AT&T is the original source of billing information then it stands to reason that it would be the most appropriate entity to research the records to determine the accuracy of the call data. AT&T did not object to PTA's recommendation that the Relay Service Provider be responsible for customer queries and complaints pertaining to the quality of service. Accordingly, we find that customer inquiries and complaints pertaining to billing and quality of service of

the Relay Service System shall be directed to and handled by the Relay Service Provider and as such, AT&T shall be subject to our Chapter 63 and Chapter 64 regulations for purposes of the Relay Service System. Additionally, we shall exclude from the dispute and formal/informal complaint process of Chapter 64 the Relay Service Surcharge. Thus, although consumers can file Complaints with regard to the Relay Service Surcharge, we will not count the Complaint against the LECs or the Relay Service Provider.

We are concerned with the appearance of the Relay Service customer's bill -- that is, whether or not all calls through the Relay Service System will appear on one page of the customer's bill or perhaps denoted by an asterisk. Accordingly, we shall direct the PTA and AT&T to meet for the purposes of submitting, for our approval, a proposal regarding the design of the bill, which clearly and specifically identifies these calls. Such proposal shall be submitted within twenty (20) days of the date of entry of this Opinion and Order.

E. Relay Service Advisory Board

The PTA, based on its Task Force recommendation, suggests that we establish a Relay Service Advisory Board for the purpose of reviewing the success of the Relay Service System in Pennsylvania and identifying additional improvements which should be implemented.

We believe, given the introduction of the new service, that an advisory board, comprised of representatives of the Service Provider, the Pennsylvania Telephone Association, the Commission, the Office for the Deaf and Hearing Impaired and the hearing and speech impaired community should be established. With respect to the hearing and speech impaired community, the initial representatives to the board should be individuals nominated by the Pennsylvania Society for the Advancement of the Deaf, the Self Help for the Hard for Hearing of Pennsylvania and

the Pennsylvania Alliance for Citizens who are Deaf Blind. The advisory board will function as a user group providing guidance in such areas as operator training, problem solving and future enhancements. We shall designate the specific individuals to participate on the Board at a future Public Meeting.

IV. AT&T Application

As previously stated, AT&T filed an Application for a Certificate of Public Convenience and Necessity to provide Dual Party Relay Service in Pennsylvania. The service proposed to be provided is the relaying of telephone conversations between the deaf, hearing impaired or speech impaired persons and persons capable of hearing and speech. AT&T states that the relay service will be provided by Communication assistants at a specially equipped location known as a relay center. Specifically, AT&T states that:

The relay center will employ trained Communications Assistants to read deaf or speech impaired parties' messages transmitted by teletypewriter and to relay those messages by voice to the hearing party. The Communications Assistants will send the unimpaired party's response to the deaf party by teletypewriter.

AT&T Application, p. 3.

The traditional standards applied by this Commission, and approved by the Commonwealth Court, for the issuance of a Certificate of Public Convenience, under the provisions of 66 Pa. C.S. §1103, have been: (1) a public need for the proposed service; (2) the inadequacy of existing service; and (3) financial and technical fitness to perform the service.^{2/} We note

^{2/} Samuel J. Lansberry v. Pa. P.U.C., 66 Pa. Commonwealth Ct. 381, 444 A.2d 832 (1982); Mobilfone of Northeastern Pa., Inc. v. Pa. P.U.C., 40 Pa. Commonwealth Ct. 181, 397 A.2d 35 (1979).

that the requirement that an Applicant establish the inadequacy of existing service is not a statutory requirement,^{3/} and with regard to motor carriers^{4/} and radio common carriers^{5/}. The inadequacy criterion has been eliminated.

With regard to intrastate, interLATA telephone companies, we adopted a relaxed entry policy, as delineated in Re Implementation of Intrastate Access Charges, 58 Pa. P.U.C. 239 (1983), as follows:

We have concluded that the proper criteria to be applied in determining whether an application for a certificate of public convenience to provide competitive telecommunications service is:

1. Whether the applicant possesses the technical and financial capability to provide [the] service proposed; and,
2. Whether there is a "public need" for the proposed service.

With regard to burden of proof, we note the language of Section 1103 (66 Pa. C.S. §1103). In pertinent part, it provides that:

A certificate of public convenience shall be granted by order of the commission, only if the commission shall find or determine that the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public.
(Emphasis added).

^{3/} Morgan Drive Away v. Pa. P.U.C., 16 Pa. Commonwealth Ct. 293, 328 A.2d 194 (1974)

^{4/} See, Transportation Regulatory Policy, M-82031, 12 Pa.B. 4282 (December 18, 1982).

^{5/} See, 52 Pa. Code §69.85.

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Stated in another manner, an Applicant's burden is to demonstrate, to our satisfaction, that the granting of a Certificate will serve, and be in, the public interest.

A. Technical and Financial Fitness

AT&T states, in its Application that:

AT&T provides interexchange telecommunications service throughout the Commonwealth. The Commission is familiar with AT&T's financial, technical and operational ability to provide telecommunication service. To avoid an unduly burdensome filing, herein, AT&T respectively refers to its various reports and other information on file with the Commission for the contents of those reports and the other information.

AT&T Application, p. 1.

In cases involving motor carrier applications where the Applicant already possesses a certificate of public convenience issued by this Commission and is seeking to expand its certificate authority, we have held that the Applicant is presumed to be technically and financially fit. Re V.I.P. Travel Service, Inc., 56 Pa. P.U.C. 625 (1982).

AT&T currently possesses the authority in Pennsylvania to supply interexchange communications services to the public. Consequently, there is a presumption that the Applicant is fit.

Currently, AT&T operates three statewide relay centers. Its California Relay Service opened on January 1, 1987, and the New York Relay Center opened on January 1, 1989. AT&T's newest center, the Alabama Relay Center, opened on February 27, 1989, and it will soon open its fourth center in Illinois on June 1, 1990.

Based upon our review of the Applicant's jurisdictional operations and the financial data on file, we are of the opinion, and so find, that the Applicant is technically and financially fit to provide the proposed service.

B. Public Need

AT&T states that the public interest will be served because the "...deaf, hearing impaired and speech impaired people will be able to communicate with unimpaired people over the telephone lines. Such improved communications will open up better access to job opportunities for the impaired, and an expanded customer base for business. Social interaction for the impaired will be improved and isolation minimized."
(Application, p. 3)

There is no question, in our minds, of the need in this Commonwealth for a Relay Service System. Such a system will ensure that individuals with hearing and/or speech impairments who use non-voice terminal devices can communicate with persons of "normal" hearing or speech on a 24 hour basis. A statewide Relay Service System will benefit all people of Pennsylvania. "Users of the relay service will experience new found freedom, privacy, independence and a desire to succeed." (White Paper, pp. 5-6). Not only will the deaf, hearing and/or speech impaired population in Pennsylvania be able to communicate with hearing individuals and vice-versa, but an entire group of people who had previously been largely inaccessible to business in Pennsylvania can become potential business customers. Accordingly, while finding that there is a need for a relay service system and that AT&T possesses the requisite financial and technical fitness, we shall grant AT&T's Application; THEREFORE,

IT IS ORDERED:

1. That the Petition filed by the Pennsylvania Telephone Association on April 12, 1990, be, and hereby is, approved to the extent consistent with the body of this Opinion and Order.
2. That the terms and conditions of the Request For Proposal Issued by the Pennsylvania Telephone Association Task Force on February 16, 1990, and as set forth in the Pennsylvania Telephone Association Petition at Appendix 3, be, and hereby is, approved and incorporated into this Opinion and Order to the extent consistent with the body of this Opinion and Order.
3. That the Hamilton Bank will serve as the Relay Service Fund Administrator.
4. That the PTA shall revise the Fund Administrator Agreement consistent with this Opinion and Order and submit the revised Agreement to the Commission within ten (10) days of the date of entry of this Opinion and Order.
5. That the Relay Service Provider shall be compensated on a monthly basis by the Fund Administrator on the basis of call volumes reported and the tariffed rate schedules of the Relay Service Provider. During the first six (6) months of operation, the monthly compensation shall be no less than 200,000 minutes of use per month.
6. That a Relay Service Fund be, and hereby is, established that is derived from a monthly end-user billing surcharge, based on access lines, collected by Pennsylvania's Local Exchange Carrier and revenues received from Local Exchange and Interexchange Carriers through virtual call billing from originating Relay Service customers. The amounts shall be remitted on a monthly basis to the Fund Administrator. The Local Exchange Carriers will record the surcharge revenue as a liability.

7. That the surcharge shall be designed to recover from the end-user the total cost of the Relay Service System to be recovered less virtual call revenues divided by the Local Exchange Carriers total access lines. The Local Exchange Carriers shall provide, for Commission approval, the total number of access lines adjusted for Centrex Lines through the use of Attachment A, Line to Trunk Equivalency Table, within ten (10) days from the entered date of this Opinion and Order. The access line count shall be based upon December 31, 1989 data.

8. That the Service Provider's charges associated with forecasted minutes-of-use and the Fund Administrator's charges, based on the fee schedule outlined in the Fund Administrator Agreement, shall be recovered by the Fund.

9. That the initial surcharge period shall include the reimbursement by the Fund of reasonable out-of-pocket expenses incurred by the Pennsylvania Telephone Association and reasonable, non-recurring start-up costs of the Relay Service Provider. The Pennsylvania Telephone Association and the Service Provider shall file documentary evidence of the costs for which they are seeking reimbursement within ten (10) days of the date of entry of this Opinion and Order. The cost shall be as of the date of the submittal of the documentary evidence to the Commission.

10. That this Commission shall annually calculate the surcharge according to the following schedule:

- a) April 30. The LECs will provide, for Commission approval, the total number of access lines adjusted for Centrex lines through the use of Attachment A, Line to Trunk Equivalency Table.
- b) May 1. The Relay Service Provider will supply to the Commission a statement of the estimated minutes of Relay Service

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use and the annual charges for the ensuing twelve (12) month period July 1 through June 30.

- c) May 1. The Fund Administrator shall provide to the Commission a Statement of the financial status of the Fund.
- d) June 1. The Commission shall notify the Local Exchange Carriers of the new surcharge rate to be applied for the prospective period.
- e) July 1. The new surcharge rate will become effective for the ensuing twelve (12) month period with conforming tariffs to be filed upon one day's notice in the format set forth in the PTA Petition at Appendix 8.

The Commission may revise the surcharge more frequently than annually at its discretion.

11. That the surcharge shall commence to be collected with billing cycles starting on August 1, 1990 and operating through June 30, 1991 based upon the assumption that 100,000 calls and 700,000 minutes-of-use per month will be placed through the Relay Service Center.

12. That end-users utilizing the Relay Service shall be billed for calls according to the Commission approved tariffs for such calls as if they were made on a point-to-point basis. For interLATA calls, the end-users shall select a Commission certificated Interexchange Carrier for billing purposes. The physical routing of the traffic is a matter within the discretion of the Relay Service Provider.

13. That the Relay Service Provider is responsible for the billing of all calls placed through the Relay System, although it may not directly bill the end-user for such calls, in which event it shall provide each Local Exchange and Interexchange Carrier with the necessary billing information for local and intraLATA toll (LEC) and interLATA toll (IXC). The Inter-

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exchange Carrier, absent a billing and collection agreement, shall be responsible for billing its interLATA Relay System traffic.

14. That for purposes of Relay Service, the Local Exchange Carriers are not subject to the provisions of Chapter 63 and 64 of the Pennsylvania Code. Complaints made against the quality, scope, conditions, billing of Relay Service or otherwise, including the Relay Service surcharge, shall not be considered as a dispute or complaint against the Local Exchange or Carrier for purposes of these Chapters.

15. That the Relay Service Provider is subject to the provisions of Chapter 63 and 64 of the Pennsylvania Code, except Complaints regarding the Relay Service Surcharge shall not be considered a Complaint against the Service Provider.

16. That the PTA and AT&T shall meet to determine the design of the Relay Service customer's bills and submit a proposal for our approval within twenty (20) days of the date of entry of this Opinion and Order.

17. That a Relay Service Advisory Board, be and hereby is, established with a representative from the following: the service Provider, the Pennsylvania Telephone Association, the Commission, the Office for the Deaf and Hearing Impaired and the hearing and speech impaired community should be established. With respect to the hearing and speech impaired community, the initial representatives to the board should be individuals nominated by the Pennsylvania Society for the Advancement of the Deaf, the Self Help for the Hard of Hearing of Pennsylvania and the Pennsylvania Alliance for Citizens who are Deaf Blind.

18. That the Application of AT&T Communications of Pennsylvania for a Certificate of Convenience and Necessity to Provide Dual Party Relay Service in the Commonwealth, be, and hereby is, approved.

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19. That, within (10) days after the date of entry of this Opinion and Order, AT&T Communications of Pennsylvania shall file a revised tariff or tariff supplement which cancels and supersedes the tariff revision filed on April 24, 1990, consistent with the body of this Opinion and Order.

20. That if the AT&T Communications of Pennsylvania elects to file the tariff revisions referenced above, the rates for the Relay Service must be filed with this Commission and shall become effective upon one (1) days notice. The rates must be provided to the Fund Administrator.

BY THE COMMISSION,


Jerry Rich
Secretary

(SEAL)

ORDER ADOPTED: May 24, 1990

ORDER ENTERED: May 29, 1990

ATTACHMENT A

Line/Trunk Equivilency Table
Number of Centrex Main
Station Lines

Equivalent
Lines

1
2
3
4 to 6
7 to 10
11 to 15
16 to 21
22 to 28
29 to 36
37 to 45
46 to 54
55 to 64
65 to 75
75 to 86
87 to 98
99 to 111
112 to 125
126 to 139
140 to 155
156 to 171
172 to 189
190 to 207
208 to 225
226 to 243
244 to 262
263 to 281
282 to 300
each additional 18
main station lines

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
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23
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26
27

1

Appendix

No. 3.3

Statutory Codification of PA TRS (& TDDP and PMASP)

LEXSTAT 35 P.S. 6701.2

PENNSYLVANIA STATUTES, ANNOTATED BY LEXISNEXIS(R)

*THIS DOCUMENT IS CURRENT THROUGH ACT 41 OF THE 2007 LEGISLATIVE
SESSION*

*** AUGUST 29, 2007 ANNOTATION SERVICE ***

PENNSYLVANIA STATUTES
TITLE 35. HEALTH AND SAFETY
CHAPTER 35A. UNIVERSAL TELECOMMUNICATIONS AND PRINT MEDIA ACCESS
ACT

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1 of 1 DOCUMENT

PENNSYLVANIA STATUTES, ANNOTATED BY LEXISNEXIS(R)

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TITLE 35. HEALTH AND SAFETY
CHAPTER 35A. UNIVERSAL TELECOMMUNICATIONS AND PRINT MEDIA ACCESS
ACT

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35 P.S. § 6701.1 (2007)

§ 6701.1. Short title

This act shall be known and may be cited as the Universal Telecommunications and Print Media Access Act.

HISTORY: Act 1995-34 (H.B. 961), § 1, approved July 6, 1995, eff. immediately; Act 2004-174 (S.B. 79), § 1, approved Nov. 29, 2004, eff. in 60 days.

35 P.S. § 6701.2 (2007)

§ 6701.2. Definitions